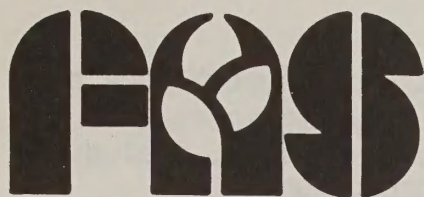


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REPORT

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 12-83

WASHINGTON, March 23--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

EC TRADE NOTES

The EUROPEAN COMMUNITY (EC) authorized 510,000 tons of soft wheat for export at its March 17 weekly cereal tender, the largest weekly export authorization since early July. This reflects the EC's aggressive export program this year to move its domestic surplus. It also reflects the EC's desire to take advantage of the current strengthening of world prices, which in turn lowers export subsidy costs. This week's maximum export restitution (subsidy) was about \$76 per ton, down from more than \$81 per ton a few weeks ago. Soft wheat export authorizations for this season now total about 7.6 million tons, almost double the level issued thru mid-March last year, and 60 percent more than were issued for all of last season.

Price competition has intensified in Indonesia, where FRANCE has made its first sales of wheat, aided by export subsidies of about \$80 per ton. In the price-sensitive Indonesian wheat market, heavily subsidized, low-priced wheat offered by the French could put them at a competitive advantage with future U.S. sales. Increased competition from lower priced wheat from other suppliers may already be in evidence as outstanding sales of U.S. wheat to Indonesia as of the beginning of March were down 50 percent from this time a year ago.

GRAIN AND FEED

SOUTH AFRICA, which has not been a net importer of corn in 30 years, may have to import substantial quantities of corn. This season, no corn will be available for exports and imports of at least 0.5-1 million tons may be required to sustain domestic consumption levels. South Africa recently released its first official estimate of the 1983 corn crop. Expected production--at 4.7 million tons--is sharply below earlier expectations of 7 million and well below last year's drought-damaged crop of 8.3 million tons. The 1983 crop could be the lowest since 1972, when South African corn production totaled only 4.2 million tons.

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To conserve limited supplies, South Africa will probably cut back on corn product sales and continue to limit current marketing year exports. Total domestic corn consumption runs at about 7 million tons annually, including approximately 4 million tons of white corn for human consumption.

South Africa would probably like to fill the bulk of its corn import requirement with white corn. However, with limited world supplies of white corn, South Africa is likely to turn to yellow corn. Despite Argentine transportation cost advantages, Argentine supplies may also be somewhat limited and South Africa may turn to U.S. corn. In any case, a mixing program of white and yellow corn for human consumption will have to be adopted.

The severe drought which has plagued AUSTRALIA for over a year has reduced the outlook for the 1983/84 wheat crop to be planted in June-July. Subsoil moisture reserves are presently low over the entire eastern half of the country, which accounts for two-thirds of the total crop. Heavy rainfall is needed during the next several months to build a soil moisture reserve capable of producing average to above-average yields. According to the U.S. agricultural counselor in Canberra, planting intentions for the 1983/84 crop are expected to reach a record of nearly 14.0 million hectares, 17 percent above last year.

The drought's impact has already been felt by Australian grain producers, with total grain production for 1982/83 down 45 percent from the previous year, according to the counselor. The 1982/83 wheat crop, harvested this past November-January, is estimated at 8.7 million tons, down 47 percent from the previous year. Total coarse grain production is forecast at 3.9 million tons, down 42 percent from last year.

DAIRY, LIVESTOCK AND POULTRY

In CANADA, hog numbers at the start of 1983 were down 1 percent to 9.92 million head, according to revised official Canadian statistics. The number of sows for breeding and bred gilts was estimated at 1.05 million, up 1 percent from last year.

Canadian cattle numbers at the start of 1983 were down 4 percent to 11.60 million head. Dairy cows were down 2 percent to 1.74 million and beef cow numbers were down 5 percent to 3.27 million head.

Recent currency devaluations in AUSTRALIA and NEW ZEALAND could translate into increased shipments of beef and veal to the U.S. market over the next several months. Devaluation makes export prices in both countries somewhat more attractive to U.S. buyers. However, total imports from these countries are not expected to change significantly.

In Australia, the 10-percent devaluation announced on March 6 is expected to have little effect on production for export. Slaughter is likely to be mostly influenced by the current drought situation. Exports to the United States are currently forecast to be 560 million pounds in 1983.

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In New Zealand, where a 6-percent devaluation took place, the effect on exports is expected to be minimal. Nearly 80 percent of production is already being exported. This export level is high, historically speaking, and is not likely to increase significantly. Current estimates are for New Zealand to export 370 million pounds to the U.S. market in 1983.

The EC COMMISSION announced on March 7 that subsidized butter sales to the USSR will be on terms similar to other destinations. Prior to this, the EC had a special tendering system for butter sales to the USSR, which required approval at the Commissioner level. However, there were no sales to the USSR under this system since the Soviets reportedly did not wish to be treated differently from other purchasers. Private exporters can now sell butter to all destinations and receive the export subsidy (currently about 58 cents per pound). However, initial payments on sales to the USSR would be 80 percent of the subsidy. The balance would be paid on presentation of landing certificates. It remains to be seen whether this provision will result in sales to the USSR. Currently the forecast of Soviet butter imports from all sources in 1983 is 225,000 tons.

TOBACCO

EGYPT's Ministry of Industries has authorized price increases for two domestically produced brands of cigarettes, Sina and Light. The price of these two brands was raised from 47 to 50 piastres (US\$0.56 to 0.60) per pack of 20, effective March 14, 1983. Introduced during the second half of 1982, both brands are reportedly successful. The price hike was necessary to reduce production losses, as industry sources maintain that it costs 38 piastres (US\$0.45) to produce an average pack of cigarettes. Sina is an English-type cigarette and Light is a low-tar and nicotine American-type blend cigarette.

Egypt depends entirely on imported tobacco for its domestic consumption and has been an important market for U.S. leaf and cigarettes. In 1982, U.S. exports of tobacco leaf to Egypt were 9,959 tons, valued at \$41.5 million, and 2.1 billion cigarettes, worth \$35.4 million.

FRUITS AND NUTS

The latest assessment by SPANISH sources indicates that the February frost damage to almond blossoms could result in losses of up to 45,000 tons (shelled basis). Due to both a small increase in bearing area and the on-year in the biennial bearing cycle, ideal growing conditions could have resulted in a 1983 harvest that matched or exceeded the record 1980 volume of 80,000 tons. The first official USDA estimate of Spanish almonds is scheduled to be released September 8, 1983.

CANADA's Minister of Agriculture announced March 1 that sour cherry producers will receive a deficiency payment of US\$0.23 per kilogram for their 1982 crop. Grower prices during the 1982 season averaged 60 percent below 1981--a reflection of a weather-damaged crop and severe marketing difficulties. The US\$0.23 payment represents the difference between the support price of US\$0.62 and the weighted average 1982 market price of US\$0.39 per kilogram.

Selected International Prices

Item	: March 23, 1983		: Change from : A year	
	:		: previous week : ago	
	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
ROTTERDAM PRICES 1/				
Wheat:				
Canadian No. 1 CWRS-13.5%*	194.00	5.28	+2.00	203.00
U.S. No. 2 DNS/NS: 14%*...	177.25	4.82	+6.25	188.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	204.00
U.S. No. 2 S.R.W.....	162.50	4.42	+8.50	175.00
U.S. No. 3 H.A.D*.....	180.00	4.90	+6.00	184.00
Canadian No. 1 A: Durum*..	197.00	5.36	+9.50	202.00
Feed grains:				
U.S. No. 3 Yellow Corn....	137.00	3.49	+4.00	131.95
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	137.00
Feed Barley 3/.....	N.Q.	--	--	150.00
Soybeans and meal:				
U.S. No. 2 Yellow.....	242.75	6.61	+6.35	260.75
Brazil 47/48% SoyaPellets 4/	222.50	--	+5.50	N.Q.
U.S. 44% Soybean Meal.....	214.50	--	+6.50	228.50
U.S. FARM PRICES 5/				
Wheat.....	137.05	3.73	+1.83	133.38
Barley.....	67.06	1.46	+2.30	85.43
Corn.....	107.08	2.72	+3.94	96.85
Sorghum.....	100.31	4.55 6/	+1.75	88.62
Broilers 7/.....	961.43	--	+35.71	961.43
EC IMPORT LEVIES				
Wheat 8/.....	106.80	2.91	-9.81	91.15
Barley.....	114.65	2.50	-.04	74.65
Corn.....	93.29	2.37	-3.96	89.85
Sorghum.....	90.91	2.31	-1.45	84.70
Broilers 9/.....	313.00	--	-0-10/	273.00
EC INTERVENTION PRICES 11/				
Common wheat(feed quality)	187.42	5.10	-1.20	184.15
Bread wheat.....	205.77	5.60	-1.32	211.80
Barley and all				
other feed grains.....	187.42	--	-1.20	184.15
Broilers 12/.....	1106.00	--	+13.00	N.Q.
EC EXPORT RESTITUTIONS (subsidies)				
Wheat.....	75.59	2.06	-2.01	66.86
Wheat flour.....	N.Q.	N.Q.	N.Q.	N.Q.
Barley.....	87.47	1.90	+.42	39.97
Broilers 9/.....	212.00	--	-0-13/	171.00
Sugar, refined 15/.....	N.Q.	--	N.Q.	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ Reflects change by EC effective Feb. 1, 1983 from 31.8 ECU's/100 kg. to 33.15 ECU's/100 kg. **Reflects exchange rate change only. 12/ F.O.B Price for R.T.C. Whole Broilers at West German border. 13/ Subsidy increase reflects change by EC Effective Feb. 1, 1983 from 20.50 ECU's/100 kg to 22.50 ECU's/100 kg. 14/ F.o.b. price for whole R.T.C. broilers at West German border. N.Q.=Not quoted. Note: Basis March delivery. * April-May.

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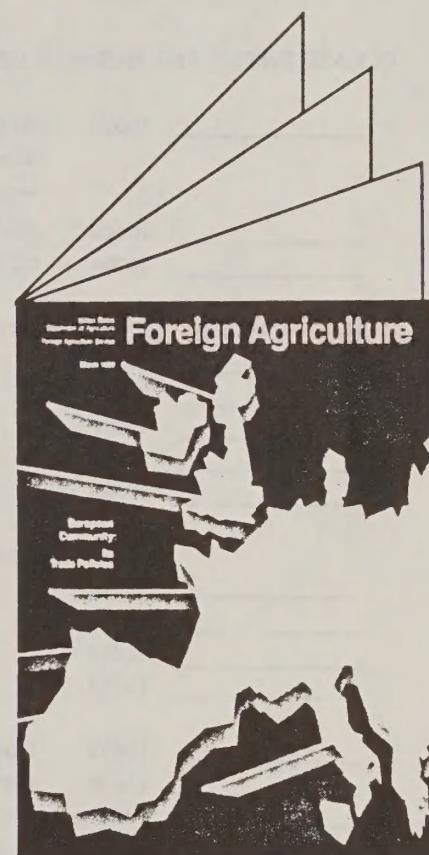
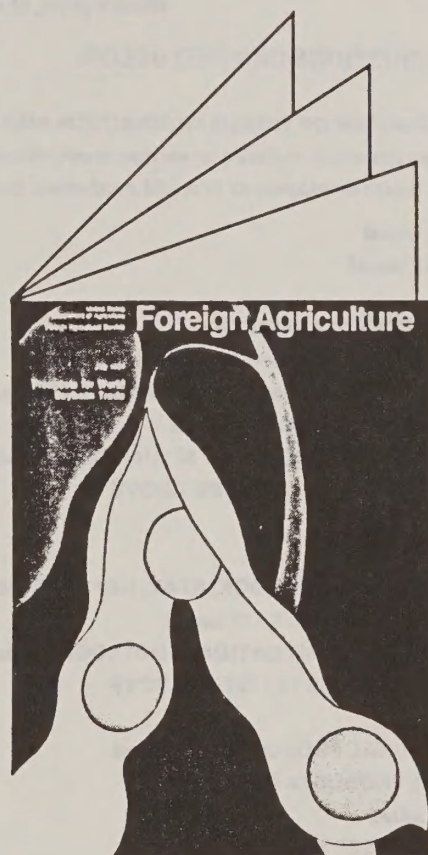
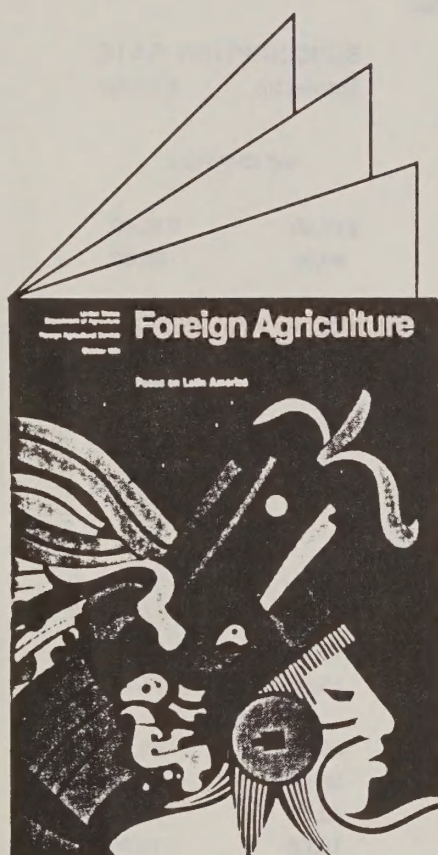
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